## **TESTIMONY OF THE**

## AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

## **BEFORE THE**

# SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

## ON FEDERAL TRANSIT INVESTMENT FOR FISCAL YEAR 2007

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## **SUBMITTED BY**

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APTA is a nonprofit international association of more than 1,600 public and private member organizations including transit systems and commuter rail operators; planning, design, construction and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA members serve the public interest by providing safe, efficient and economical transit services and products. More than ninety percent of persons using public transportation in the United States and Canada are served by APTA members.

#### INTRODUCTION

Mr. Chairman and members of the committee, on behalf of the American Public Transportation Association (APTA), we thank you for this opportunity to testify on the need for and benefits of investment in Federal Transit Administration (FTA) programs for Fiscal Year 2007.

## **ABOUT APTA**

APTA's more than 1,600 public and private member organizations serve the public by providing safe, efficient, and economical public transportation service, and by working to ensure that those services and products support national economic, energy conservation, environmental, and community goals.

APTA member organizations include public transit systems and commuter railroads; design, construction and finance firms; product and service providers; academic institutions; and state associations and departments of transportation. More than ninety percent of the people who use public transportation in the United States and Canada are served by APTA member public transportation systems.

#### **OVERVIEW**

Mr. Chairman, APTA's members deeply appreciate the work of this committee throughout the development of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) which was enacted into law only last August 10. SAFETEA-LU incorporates the major goals that APTA set for the reauthorization process: grow the federal transit program, preserve the funding guarantees and improve provisions that affect the program delivery. SAFETEA-LU provides a record level of federal transit investment, \$52.6 billion over six years, an increase of 46 percent over the amount guaranteed in TEA 21. Again, our members very much appreciate and thank this committee for its hard work and commitment to this important legislation. Now that the reauthorization process is behind us, APTA also appreciates this committee's efforts to monitor the implementation of the law.

At the outset, Mr. Chairman, I want to commend FTA for acting expeditiously in implementing rulemakings and other activities required by SAFETEA-LU. The new law calls for FTA to implement a significant number of programs, rulemakings, notices and other measures, some with very short deadlines, and the agency has made every effort to do this in an open and transparent way. We very much appreciate the FTA's efforts in this regard, and look forward to continuing the good working relationship we have with the agency and its new leadership.

Mr. Chairman, I want to focus today on three concerns we have with the Administration's FY 2007 budget proposal –

While we appreciate that the Administration's budget proposal adheres to the SAFETEA-LU transit program in most respects, it proposes to fund only \$100 million of the \$200 million

authorized in FY 2007 for the small starts program that is meant to assist the development and construction of smaller fixed guideway projects such as streetcars, trolleys, commuter rail, and bus rapid transit systems.

Mr. Chairman, we are also concerned that the Administration's budget fails to adequately fund transit security and efforts by transit agencies to better protect transit riders from terrorism.

Finally, the President's budget proposal for the Federal Railroad Administration (FRA) proposes, as it did last year, that commuter railroad riders will assume a higher portion of maintenance and capital expenses on the Amtrak-owned portions of the Northeast Corridor. We are concerned that the unilateral imposition of these fees by the federal government will increase operating costs for these commuter railroads and will result in higher costs for commuter rail users and the state and local taxpayers who fund these systems.

#### **NEW STARTS/SMALL STARTS**

Mr. Chairman, APTA is disappointed that the Administration has proposed to fund transit below the level so recently authorized and guaranteed by Congress. The Administration requested \$100 million less than the amount authorized from the general fund for the new starts program, proposing only half of the funding authorized for the new small starts program, a program to fund less costly fixed guideway projects such as light rail, commuter rail, and bus rapid transit systems.

As this committee knows, there is overwhelming demand for new starts projects, and SAFETEA-LU authorized 387 projects. These new fixed guideway projects are an important part of meeting transit needs, but they each take a long time to develop and require a predictable funding commitment. Once appropriated for a fiscal year, new starts program funding remains available for the two subsequent fiscal years. The effect of a funding cut will be felt disproportionately in future years by causing transit providers to fall further behind in the development of new less expensive projects due to the cuts that would be implemented under the Administration proposal, robbing communities of the congestion relief and environmental benefits associated with the projects.

We want to make another point, Mr. Chairman. SAFETEA-LU restructured the general fund and Mass Transit Account (MTA) funding sources so that MTA outlays are now scored when they are actually spent rather than when they are appropriated. The good news is that MTA balances now are significantly higher than they would have been under the old scoring system. But it also means that the new starts program is now funded exclusively from the general fund. Mr. Chairman, it is important to emphasize that this was done to improve the overall financing of the federal transit program, and was not meant to create an opportunity for program cuts. That is why we fought so hard in support of the guarantees in SAFETEA-LU, and why this committee worked so hard to retain them. We look forward to working with this committee and others in support of fully funding the FY 2007 federal transit program.

#### PUBLIC TRANSPORTATION AND ENERGY INDEPENDENCE

APTA is pleased that President Bush highlighted the need to focus on energy independence in his recent State of the Union address. The President said that "keeping America competitive requires affordable energy.....America is addicted to oil, which is often imported from unstable parts of the world." He further stated that "the best way to break this addiction is through technology."

We agree, Mr.President! We cannot think of a more important technology in that regard than fixed-guideway transit, including heavy and light rail, commuter rail, and bus rapid transit. This technology is readily available and many communities already have systems which can be expanded with more investment.

The value of public transportation in this regard was quantified by economists Dr. Robert Shapiro and Dr. Kevin Hassett in their report: *Conserving Energy and Preserving the Environment: The Role of Public Transportation*. Among their findings:

- o Public transportation saves more than 855 million gallons of gasoline a year, or 45 million barrels of oil. These savings equal about one month's oil imports from Saudi Arabia. In 2004, 9.6 billion trips were taken on public transportation.
- o If Americans used public transportation at the same rate as Europeans for roughly 10 percent of their daily travel needs the United States would reduce its dependence on imported oil by more than 40 percent or nearly the amount of oil we import from Saudi Arabia each year.

Moreover, transit agencies are increasingly investing in alternative fuel buses to reduce dependence on oil. Almost 17 percent of fixed route buses now use alternative fuels and 20 percent of buses on order will use alternative fuels. Public transportation is clearly doing its part to promote energy independence through innovative technologies, and that is why we urge Congress to honor SAFETEA-LU and fully fund the transit program in FY 2007.

## TRANSIT SECURITY

APTA commends and thanks this committee for advancing legislation that would authorize \$3.5 billion for transit security: the Public Transportation Terrorism Prevention Act (S. 2032). We particularly thank this committee and its leadership for leading the effort last summer to increase transit security funding to \$1.2 billion in the Department of Homeland Security (DHS) appropriations bill. Funding transit security is a clear federal responsibility, and APTA is committed to working with the Bush Administration, this committee and others to increase the level of funding for transit security. We look forward to working with the committee in this critically important area.

Mr. Chairman, APTA is concerned that the President's proposed FY 2007 DHS budget for the Targeted Infrastructure Protection program, a security infrastructure program that

includes public transportation, fails to provide sufficient investment for public transportation security.

Like last year's proposal, the proposed \$600 million funding for the Targeted Infrastructure Protection program, is for the protection of several critical infrastructures, including transit and ports. This amount of funding is insufficient to meet transit security needs, which are in excess of \$6 billion, let alone other infrastructure needs. We are concerned not only about the level of funding, but also the uncertainty of how much will be allocated to transit security given that the program would fund a variety of security efforts in non-transit areas.

APTA continues to press DHS and Congress for increased resources for public transportation security. While DHS has provided well over \$18 billion for aviation security since 9/11, to date only \$250 million has been allocated to transit. There are 32 million trips a day on transit compared to 2 million on aviation; terrorists have struck transit rail systems in Madrid and London. APTA has surveyed its membership and has identified some \$6 billion in security needs – beyond basic infrastructure needs funded under SAFETEA-LU. Since 9/11, transit systems have spent more than \$2 billion of their own resources on transit security.

Considering the attacks on the London Underground last summer, the time for limited investment in transit security has passed. Now is the time to propose transit security funding sufficient to protect the millions of people who use public transportation systems in the U.S. every day and to help strengthen the security of our nation's transit infrastructure.

## NORTHEAST CORRIDOR COMMUTER RAIL ISSUES

Turning to another issue in the proposed FY 2007 budget, the Administration proposes that commuter railroads will assume a higher portion of capital and maintenance expenses on the Amtrak-owned portion of the Northeast Corridor. An amount of \$59 million in fees on commuter railroads is assumed in each of FY 2006 and 2007 to support Amtrak spending, even though we have seen little evidence of the "open and transparent process" which Congress called for in the FY 2006 Transportation Appropriations to address this issue.

The Northeast Corridor commuter railroads already reimburse Amtrak for capital and maintenance costs based on contracts negotiated before the new legislation was enacted. The riders and state and local taxpayers that fund these commuter railroads should not be asked to pay more than has been negotiated. Mr. Chairman, while this Committee does not have direct jurisdiction over Amtrak, these increased expenses could directly affect the health of the Northeast Corridor's commuter rail systems and the hundreds of thousands of riders who use those systems every day. Furthermore, in a recent *Federal Register* Notice, FTA has raised the possibility of conditioning federal transit grants on the payment of these increased expenses. We want to emphasize that the solution to Amtrak's funding problems cannot come from transit funding sources – including the Mass Transit Account of the Highway Trust Fund – which are not adequate to sustain the commuter rail and other transit programs our nation requires. APTA has developed a comprehensive set of principles to guide us in this area which establish that existing contractual obligations must be respected; that ongoing support for intercity rail must

remain separate from the Highway Trust Fund, and that the Northeast Corridor and other Amtrak-owned assets should remain under public ownership and control.

## **CONCLUSION**

Public transportation plays a key role in meeting the goals of the Administration and Congress in providing energy independence, congestion relief and transportation mobility options for Americans. APTA strongly believes that the federal government should invest no less than the level authorized and guaranteed by Congress for FY 2007 in SAFETEA-LU if we are to advance these goals. APTA also believes that Congress must pass legislation that will dramatically increase funding for transit security, and we look forward to working with committee to reach that goal.

Mr. Chairman, on behalf of APTA's member organizations, I thank you for this opportunity to express our views and would be pleased to answer any questions the committee may have.